



High Speed Revenue

Posted by **Pierluigi Oliverio** on Monday, September 20, 2010

For the most part, I do not think people want things to change. However, could you see living without highway 280, 85, 87 or 237? When building large transportation projects there always seems to be opposition of some sort. Government at all levels—local, state and federal—deems that certain projects have a higher value in the long term.

A current public transportation project that has been receiving attention lately is High Speed Rail (HSR). Last week, the city council discussed whether the trans should run above ground or underground. The preferred choice among many in Northern California is to underground/tunnel the HSR. However, it appears that the majority of elected officials support an above-ground structure.

I have attended approximately 16 evening meetings regarding HSR. At first, the meetings were terrible with few answers and little data to answer audience questions. Over time, the quality of outreach and information has improved. It was through this process the HSR decided not to run the trains directly through the Gardner neighborhood, but rather hug highways 87 and 280.

To tunnel or not to tunnel is both a financial and timing question that includes geological reality. A tunnel from the Diridon station to the 87/280 interchange will cost an additional \$800 million to \$1.2 billion and may add seven years to the project. In addition, not every piece of land and what is beneath the surface lends itself to tunnel. Downtown has its challenges with sandy soil and a shallow water table. So, a piece of land in one city is different than another city, just as some parts of San Jose have streets that sink and others do not. (Wait till the Big One hits and liquefaction of soil happens in certain parts of San Jose.)

Some questions I asked at the council meeting were: "How much does it cost to include a tunnel in the Environmental Impact Report (EIR)?" and "What more would we learn if the tunnel was included in the EIR?" The first response was "don't know" and second response was hard to translate.

Another question I asked: "Where is the local money coming from since the City does not have any?" One response was "Well, maybe the City could make money from parking." It sounds like we would have to find millions of dollars to build a parking garage and then promote driving your car and

parking it over using public transportation—so my questions remained unanswered.

I believe our Mayor is doing a good job trying to manage an uncontrollable situation. Uncontrollable since the power in this decision does not rest with cities but rather with the state. I believe our state assembly and state senate have more power over a state agency than an individual city. We see that year after year the state takes RDA money from the cities.

It is highly unlikely there will be an underground tunnel due to cost and years and examples of issues that occurred with the "Big Dig" in Boston. Overall, I lack confidence on the HSR project since it will take \$43 billion to \$100 billion to build it out over time. To complete HSR will mean going back to the voters a few times for more money. I know from history that some projects take decades to complete, however you compound this on top of \$500 billion in state pension liability and ask, "Where is the ability to pay?"

There is the hope to get a legal agreement with HSR that would allow San Jose to have a say in the architecture of an above-ground structure. There is good reason for HSR to agree since HSR would save money and years in construction. So if HSR would save \$800 million to \$1.2 billion, then they should allocate some of that money to San Jose for the architecture.

Everyone has a different view of what they like or do not like about architecture but we can agree on is that \$100 million, for example, buys you some level of architecture. Since we know that the price tags on these projects grow and grow then we might want to assure a certain percentage of the build cost in that future year instead of an exact monetary figure.

On another topic, this week the council is posed to approve yet another rezoning of land to housing for an affordable housing project that does not pay property tax which has been the number one revenue for our city. How will we fund our police and libraries without property tax?

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